

RETURN

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OTTAWA, July 15, 1909.

The Right Honourable
Sir WILFRID LAURIER, P.C., G.C.M.G.,
Prime Minister of Canada,
Ottawa.

SIR,—I have the honour to report that, having received instructions from you to proceed to Australia and New Zealand, to discuss with the governments of those countries the possibility of taking such steps as would lead to the inauguration of a steamship service between England, Australia and New Zealand, via Canada, on the Atlantic and Pacific oceans, which in point of speed, comfort and capacity would realize the wishes and desires of all the above mentioned countries, as expressed in the resolution adopted by the Colonial Conference held in England in 1907, and supported by the several delegates of the countries above referred to, in attendance at such conference, I proceeded to those countries in November last, via Vancouver, for the purpose of carrying out such instructions.

On my arrival in Australia, I found that parliament had just been summoned, and it was some time, owing to the time of the Premier being fully occupied by the necessary organization of the House and rush of business, which in all countries seem to be the necessary sequence of the opening of parliament, before it was possible for me to meet the Prime Minister. After some time, however, I was granted the privilege of an interview, and represented to him the desire of your government, that a delegate should be appointed, who, in conjunction with similarly appointed delegates from New Zealand and Canada, might approach the Imperial government, and urge upon it the taking of such steps as would insure the inauguration of the above mentioned steamship service from England to Australia, via Canada, and New Zealand. The interview was, owing to the fact of the Premier's time being much occupied by the business of parliament, and that the meeting was only a preliminary one, necessarily short, but very satisfactory, the Premier expressing his sympathy with the scheme, and the friendliness of Australia towards the sister colonies, and approval of the desire to draw closer the bonds of empire by improved, more frequent and more rapid communication, and greater transportation facilities, but explaining that, as it necessarily involved considerable outlay, the ultimate decision would depend to a great extent on the amount demanded. Moreover, as it was a question that must necessarily be discussed with his colleagues, a meeting, to be determined later, was agreed upon by the Prime Minister, and I withdrew.

Some days later, and before a second interview could take place, I noticed in the Melbourne press that the Labour party, who had been supporting the government, had given notice in the Commonwealth parliament that it could no longer vouchsafe to the government the support which it had given for some time past, and as the government without the support of the Labour party were in a clear minority its resignation was handed to His Excellency the Governor General of the Commonwealth, who called upon the leader of the Labour party, Hon. Mr. Fisher, to form a government. I immediately consulted with Mr. Deakin, the late Premier, and it was agreed that, in view of the fact that it must necessarily take some time to organize the new government,

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and conduct the elections rendered necessary by the change of government, it would be better for me to proceed to New Zealand and consult the government of that country in the meantime, returning to Australia after matters had been settled in New Zealand, and when the government of Australia, having completed its organization, would be in a position to discuss the proposition made by Canada. I accordingly sailed for New Zealand late in November for the purpose of discussing the question with Sir Joseph Ward, the Prime Minister of that country.

I found on my arrival there that the general election which had just taken place had resulted in favour of the government by a substantial majority, but as one or two of the ministers had been defeated in the contest the time of the Premier, Sir Joseph Ward, was much occupied in reorganizing his government, and, as a consequence, negotiations were somewhat slower than they otherwise would have been. I am pleased to be able to report, however, that negotiations once entered upon proved extremely satisfactory, and that New Zealand is quite prepared to join with Australia and Canada in approaching the Imperial government on the question of inaugurating the steamship service above referred to, and popularly known as the 'All Red Route,' and to assume her share of the cost. Immediately after receiving this assurance from the Prime Minister I returned to Australia, landing there on the afternoon of December the 25th, to find the holiday season on, parliament prorogued, and the ministry absent from Melbourne at their respective homes. It was, therefore, on in January before I was able to interview the new government, known as a Labour government, and led by the Hon. Mr. Fisher. Several interviews took place between the Prime Minister, the Postmaster General and myself, and it was finally agreed that I should place before the government a memorandum setting forth the advantages of the route. Accordingly on the 1st of February I forwarded a memorandum on the question to the government, copy of which is attached to this report. On the 17th of the same month I received a letter, signed by the Postmaster General, also attached to this report, expressing approval of the action of Canada in sending a representative to Australia to discuss the question of the All Red Route, and sympathy with the object in view, acknowledging the possibility of benefit to the countries concerned, both from a commercial and Imperial point of view, but regretting their inability at present to enter into any definite arrangement as to subsidy, and expressing the hope that when the limitation imposed by the constitution on expenditure expired they would be in a position to offer practical aid to the advancement of the scheme. On receipt of this letter I represented to the government that what was most needed at the present time was the agreeing to the appointment of delegates to discuss with the Imperial government the details of the scheme as regards speed, frequency and subsidy, and the amount to be undertaken by each government, and on the 2nd of April received a further amended answer to the effect that should a conference be called by the British or Canadian government to discuss the advisability of instituting the All Red Line, the Australian government would appoint a representative as requested. Copy of this letter is herewith attached. I also beg to attach copy of my reply to the letter of the 2nd of April from the Postmaster General representing the Commonwealth of Australia.

I have the honour to be, sir,

Your obedient servant,

(Sgd.) R. M. COULTER.

MELBOURNE, February 1, 1909.

The Honourable ANDREW FISHER,
Prime Minister of the Commonwealth of Australia,
Melbourne.

DEAR SIR,—In pursuance of the conversation which I had with you and the Postmaster General a few days ago, in reference to the appointment by your government of a representative of Australia who, in conjunction with representatives from New

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Zealand and Canada, might approach the Imperial Government and urge upon it the taking of such steps as would insure, on the Atlantic and Pacific oceans between England, Australia and New Zealand via Canada, the establishment of a steamship service, which in equipment, speed, comfort and capacity would realize the wishes of all the above mentioned countries as expressed in the resolution adopted by the Colonial Conference held in England in 1907 and supported by the several delegates of the countries above mentioned.

Everything points to the coming trade importance of the Pacific ocean. Japan and the United States are fully alive to its future possibilities, and Canada, Australia and New Zealand, if they would hold their own, must be equally active with the other countries interested. The coming importance of the Pacific ocean as one of the great highways of commerce practically foreshadows the presence of representative ships of the great navies of all countries interested in the Pacific ocean; so much is this the case that Australia is now considering the question of the beginning of a navy for her own defence. No navy can be successful that is not backed by a swift and commodious merchant marine and the establishment of such a service as the one referred to above would give the very class of vessels required.

The exports from Australia to Canada have increased from £24,837 in 1903 to £124,698 in 1907 as shown in the following table:—

	Imports from Canada.	Exports to Canada.
1903..	£352,939	£ 24,837
1904..	222,064	29,352
1905..	230,951	43,288
1906..	303,751	732,688
1907..	386,170	124,698

This growth has been without special effort on the part of the Australian government. No special representative from Australia has been sent to Canada to stimulate or direct this trade, and it is safe to say that the increase has been both a healthy and natural one and may be accepted as a fair indication of what could be accomplished if special efforts were made and improved facilities provided.

I beg to submit a table showing the increase in certain articles of commerce exported by Australia to Canada during the period of 1903 to 1907:—

Article.	Value, 1903.	Value, 1907.
Foodstuffs—		
Of animal origin—		
Meats..	£ 978	£31,317
Other..	633	14,149
Of vegetable origin..	1,328	27,339
Spirits and alcohol..	956	131
Animal substances—		
Hides and skins..	7,153	9,108
Wool—greasy..	800	11,903
" —scoured..	956
Other animal substances..	200	74
Oils, fats and waxes..	1,399	4,100
Charcoal..	1,032
Coal..	821	406
Tin..	4,728	16,156
Metals manufactured..	342	628
Timber—undressed..	360	4,398
All other articles..	964	4,840

It will thus be seen that the exports of Australian produce for Canadian consumption have increased nearly sixfold in four years. The above figures give only the direct

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exports to Canada. In addition she purchases indirectly, through London and elsewhere, large quantities of hides, skins, wool and other Australian products.

This trade—as above stated—has grown up in a natural way without special facilities or cultivation of any kind, other than the ordinary necessities of commerce, and at a time when the population of the Pacific slope is comparatively small, but Canada is growing rapidly in population, and in the near future British Columbia, the Canadian province bordering on the Pacific referred to above, will have a population that will warrant any country in seeking it as a customer. Its fertile valleys are rapidly filling, its mining and timber interests are being vigorously developed, its people—like the people of your own country—maintain a high standard of living; moreover its seasons differ from that of Australia, the winter season of Canada being the season of production in Australia and vice versa.

The conditions, therefore, that favour exchange of trade products are unusually favourable as shown by the unaided natural increase during the last five years with a population that is insignificant in comparison with what it will be in ten years. Australia, on the other hand, beginning with Victoria and New South Wales, is entering upon large irrigation schemes and must necessarily, to defray the cost of these enterprises, adopt a policy of small holdings, intense culture and increased immigration.

It would not appear necessary to point out to an Australian government that, in a country as rich as Australia, this policy must soon induce a state of affairs in which the ability of the home market to consume her ever expanding products must disappear, and that if the producers of the country are to earn interest on their investments and secure an adequate return for their labour, markets outside of Australia must more and more be sought and found for the surplus products of the country. The development of such a trade will take time, energy and patience and should, I respectfully submit, receive the immediate attention of the Commonwealth government.

An examination of the different markets in considering the question of Australian export trade shows a condition of affairs decidedly favourable to Canada. In the United States you have a country that believes in ultra protection, has no special sentiment of friendship towards Australia any more than it has to any other country, and that not only produces nearly all the articles of trade which Australia will have to export, but is herself a large exporter of such products.

In Europe and Britain it would be necessary to compete with the cheap labour of the Mediterranean districts. Not so, however, with Canada, which either produces nothing at all of the many Australian products for export or produces them only in quantities which are entirely insufficient for her own requirements, although she is a large consumer of the same; moreover, these conditions—owing to climatic reasons—will always continue to prevail.

Further, the sentiment of Canada from every point of view is one of extreme friendliness towards Australia. The two people are of common origin, bound together by ties of common blood and kinship, and by the fact that they are members of the same Empire and are equally interested in consolidating and drawing closer together the different units which go to form that Empire.

In addition, western Canada is a new and ever-growing market whose business connections are only being formed, and therefore at the present time the most favourable market for Australia to cultivate. These connections once firmly made may become more or less permanent, and it will be difficult later to break them up. California now exports to Canada, under conditions of high-priced labour, large quantities of the articles of trade which Australia either now has or soon will have to export owing to her rapid development. Australia, with improved transportation facilities, ought to easily hold her own and acquire a large and profitable share of the trade in Canada. A profitable trade in dried and other fruits, nuts, &c., can be developed with western Canada, and Australia has the advantage of cheapness in transportation by an all-water route from Sydney to Vancouver, whereas the products

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of southern Europe would be subject to heavy railway transporation charges across the Dominion.

An examination of the table given below shows the total Canadian imports of various articles of commerce for the nine months ending March 31, 1907, and the quantities supplied by Australia:—

(That the imports are given for a period of nine months only is due to the fact that in 1907 Canada altered the ending of the financial year from June 30 to March 31.)

		Total.	From Australia.
Butter	Lbs.	868,348	218,943
Hides and skins	Value	\$5,677,425	\$ 19,474
Meats canned	"	39,376	4,526
Wool	Lbs.	3,928,791	125,563
Sheep, alive	No.	73,463	None.
Mutton	Lbs.	1,036,289	1,028,551
Jams and jellies	Value	\$ 289,089	9,288
Fruits, nuts, &c.	"	2,766,314	None.

In the following items the figures for Australia are taken from the Australian returns for the calendar year of 1907:—

	Imports into Canada for nine months.	From Australia for year.
Eggs	doz.	661,104
Honey	lbs.	316,498
Sausage Casings	£	13,739
Raisins	lbs.	14,567,231
Apples	barrels	43,111
Oranges and lemons	boxes	762,821
Wine (non-sparkling)	gal.	550,184

There are many lines in which Australia has yet sent little or nothing. The following are some of these lines with the amount of value imported for a full twelve months of 1906:—

Maize	bushels.	11,316,197
Wheat and flour	tons.	4,191
Vermicelli and Macaroni	lbs.	2,793,579
Broom corn	value.	\$ 196,084
Cocoanuts	"	66,157
Currants	lbs.	10,188,799
Dates	"	2,144,451
Figs	"	2,874,013
Prunes	"	6,992,257
Almonds	"	1,729,436
Walnuts	"	1,083,303
Greases	"	8,276,451
Hair	"	574,000
Beef, salted	"	2,374,515
Meat, dried and smoked	"	1,453,917
Soap, common	"	1,688,698

It is not contended that Australia could supply the whole demand for these articles, but she could easily supply a much greater number of these products than she has hitherto done, and she could out-distance all competitors in western Canada, which she reaches by an all-water route, and where the population will be several times as large as it now is in the near future and where there is a constant demand for every article of trade in the above list.

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I may add that every state in the Commonwealth, Western Australia excepted, has shared in the exports from Australia to Canada. I am told by Mr. Larke, Canadian commissioner in Sydney, that even now articles of trade such as meat and butter have been limited by the capacity of the service and the infrequency of the monthly trips on the Canadian-Australian line. Fortnightly trips by larger and swifter mail steamers, with the consequent development of trade, would ultimately cause excellent cargo steamers being placed on the route of the Canadian-Australian line, thus obviating the existing disabilities to the material advantage of the Commonwealth.

Canada is becoming rapidly a populous country, with a leisure class who indulge extensively in travel in Europe, because no other comfortable sea trip is available, but, with a more frequent and speedy service between Australia, New Zealand and Canada, a radiation of travel would take place that would cause to be spent annually thousands of pounds in Australia and New Zealand by tourists, and in addition give to these countries a splendid advertisement as to the richness of the soil and the opportunities which await the emigrant, capitalist and business man in both countries. What is said of Canada in regard to the question of travel may also be said of the United States, which has a much larger and a much wealthier population; moreover, a large class of English and European travellers who now halt at Vancouver, retracing their steps through America, would—if a fortnightly service of swift and comfortable steamers were available on the Canadian-Australian line—return to their homes via Australia and New Zealand.

Canada's experience proves that the tourist, well pleased with what he has seen, upon his return to his own country does much to advertise and make known to his fellow-countrymen the advantages and resources of the country in which he has travelled. The tourist who has travelled through Canada has proved on his return one of the best emigration agents it was possible to secure. Australia wants the immigrant as Canada does for the development of her lands.

The fact that a white Australia has been determined upon involves the necessity of obtaining a white population as speedily as possible, and everything that tends to annihilate space and time tends to remove the only disadvantage under which Australia lives—namely, the isolation arising from her remoteness from the world's centres. The advantages of Australia have only to be made known to the world to attract a population, such as she desires, and one of the best methods of making these advantages known to the world would be the influx of travellers, tourists and business men that would come as a result of the inauguration of the All Red route.

If the All Red Route service were inaugurated, Australia—although the smallest contributor stands easily to become the greatest beneficiary as regards the large expenditure of money necessarily involved in the carrying out of the scheme.

It is estimated that the expenditure of the Pacific end of the service will be somewhat over £600,000, and Australia being the terminus of the route will necessarily receive not less than three-fourths of the amount expended. Thus, for a comparatively small expenditure, Australia will secure the disbursement within her borders of over £400,000 per annum. This is not a bad investment, even if you separate it from every other advantage which must necessarily follow the inauguration of such a service.

I take for granted that the different countries which now go to make up the British nation intend to remain within the empire, and that, like Canada, not only is it their ambition and desire, but their firm determination to work out their different destinies in close connection with the motherland. If so, then it must be manifest to each and all of them that the more the different units of the empire commingle and associate with each other, and the more they can learn of each other's weaknesses and strength, ambitions, hopes and fears, the greater possibility of helping each other in working out their different futures within the confines of that empire we all love so well, of whose past achievements we are so justly proud, and in the glory, usefulness and permanency of whose future we have the utmost confidence and hope.

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Nothing will tend to produce the state of affairs so requisite to such an understanding or promote the possibility of mutual helpfulness so much as closer communication, which alone can be brought about by a quicker, more modern and more frequent mail service. It should stimulate and quicken trade, increase communication and promote exchange in thought. It should promote travel and intercourse and induce a better knowledge and a better understanding of each other. If carried out as intended it will bring London within 27 days of Sydney, or four days closer than it is under the present mail service, and give it a gain of eight days on the round trip. It will bring Australia, Canada and the United States much closer than at present, and must, from an Imperial as well as a local and business standpoint, prove of an immense material advantage to all the countries concerned. It is true that mail steamers as a rule would carry but little through cargo to the British markets, but they would carry through express and valuable parcels and a very considerable amount of the traffic that would result from improved facilities. Nothing could be more instructive than the history of the mail service between San Francisco and Sydney via Auckland. Notwithstanding the fact that the United States was and is a highly protective country, and that she has pursued her usual policy of endeavouring to sell all she could to, and buy as little as possible from, the country with which she was trading, the trade in 1906 amounted to several millions sterling, and had the United States followed a fair and generous policy of 'give and take' with the Commonwealth, it would no doubt have developed much more rapidly and have attained a much larger aggregate.

The mail steamers did not carry this trade, but they carried the men and letters by which the trade was developed and pushed forward. What was done under these circumstances with the United States can now be done with Canada with much more advantage to Australia, inasmuch as Australia has reached a stage in her development when an outside market for products of intense culture has become a necessity. This can be obtained in Canada with little difficulty, as the Commonwealth will be developing trade with a country which has every desire to cultivate intimate trade relations, and has every reason to be friendly and fair, and, like Australia, anxious in every possible way to draw closer the bonds of empire.

May I add in conclusion that the New Zealand government has expressed its intention of joining Canada in approaching the Imperial government for the purpose of perfecting a scheme by which effect may be given to the resolutions passed at the Colonial Conference held in England in 1907 for the purpose of securing the best results within the Empire from a trade standpoint, and, by giving improved and quicker transportation and communication, promote a greater feeling of unity and create a stronger bond of empire.

It remains for Australia to decide whether another link will be forged in the chain of empire and another step taken towards realizing the dream of the British race, namely, the formation of, to use the words of a recent English writer, 'an Empire with a future before it, longer and more glorious than its past.'

I venture to express the hope that your government may be able to reach a conclusion favourable to joining New Zealand and Canada in their petition to the Imperial authorities in regard to this service.

I have the honour to be, dear sir,

Your obedient servant,

(Sgd.) R. M. COULTER,

Deputy Postmaster General of Canada.

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COMMONWEALTH OF AUSTRALIA,
 POSTMASTER GENERAL,
 MELBOURNE, February 17, 1909.

MY DEAR DR. COULTER,—As you are about to return to Canada, I desire, on behalf of this government, to acknowledge with satisfaction the action of the Canadian government in commissioning you to visit Australia, and also to express our high appreciation of the spirit in which your negotiations with us were conducted.

I should like to add that this government views with interest and sympathy the object of your mission. We are fully sensible of the great commercial benefits, both to Australia and Canada, which would ensue from speedier and more frequent communication between these countries; and we also realize the beneficial effects to us, as members of the same empire, of freer intercourse between Canadians and Australians. This government, therefore, regrets being precluded from entering at present into any definite engagement as to subsidy to the proposed mail and passenger service between Vancouver and Australia. But when the limitation imposed by the constitution on our expenditure expires, as it will do shortly, we may then be in a position to offer some practical aid towards the proposed fleet.

As to the appointment of a delegate to represent Australia at a conference in London, I regret that, in the absence of the Prime Minister and several other colleagues, I am for the present unable to give you a decisive assurance. I undertake, however, to bring the matter speedily before the Cabinet, and to acquaint you of our decision without delay.

With best wishes from colleagues and self,

I remain, faithfully yours,

(Sgd.) JOSIAH THOMAS.

Dr. COULTER,
 (Deputy Postmaster General, Canada)
 Melbourne.

COMMONWEALTH OF AUSTRALIA.

POSTMASTER GENERAL.

MELBOURNE, April 2, 1909.

DEAR DR. COULTER,—Since writing the communication which I sent you, dated 17th February last, relative to the proposals put forward by you in connection with the All Red Line of mail steamers, I have had the opportunity of consulting the Prime Minister and my other colleagues in the matter, and am now in a position to state that should the proposed conference be called by the British or the Canadian government to discuss the advisability of instituting an All Red Line our government will be represented thereat.

I may, however, add that our representative would be instructed to urge that the steamers to be employed in the service should be owned and controlled by the several government concerned. The main object of the enterprise being to knit together more closely scattered portions of the empire, we are convinced that only by government ownership can this object be attained with the maximum advantage to our respective communities.

Trusting your stay in Australia has been of a pleasant nature,

I am yours faithfully,

(Sgd.) JOSIAH THOMAS,

Postmaster General.

MELBOURNE, April 14, 1909.

The Hon. Mr. THOMAS,
Postmaster General,
The Australian Commonwealth,
Melbourne.

MY DEAR MR. THOMAS,—I have the honour to acknowledge receipt of your letter of April 2nd in further reference to the proposals put before you by me in connection with an All Red line of mail steamers, in which you state that having had the opportunity of consulting the Prime Minister and your colleagues in this question you were able to inform me that should the proposed conference be called by the British or Canadian government to discuss the advisability of instituting an All Red line between Britain, New Zealand and Australia via Canada, your government would be represented thereat, and to express appreciation at your action.

I have forwarded the contents of your communication to the Prime Minister of Canada, and no doubt in due time you will hear further from the Canadian government on this subject.

In conclusion, permit me to express to you my very great appreciation of the unfailing kindness of the Prime Minister, yourself and colleagues since my arrival in Australia. I can assure you that the attitude of the government, of which you have the honour to be a member, towards me as the representative of Canada in this matter has made my stay in Australia a very pleasant one.

Again thanking you for the kindness and courtesy which I have experienced at the hands of yourself and colleagues.

Believe me to be,

Sincerely yours,

(Sgd.) R. M. COULTER.

